

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

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Buenos Aires, January 31, 1927

A-3

To: Assistant Chief of Staff. G-2

Subject: Current Events for the month of January 1927.

*Y. A. G. has not arrived
revised*

RECEIVED G/2 W. O. MAR 2 1927

1. The undersigned arrived for duty at the above Station on January 4th. The Foreign Office Service receives new arrivals only on Wednesdays, so that ceremony took place on the 12th. The same day I was presented to the Minister of War and the ranking Officers of his office.

2. On the 18th of January, Major Dusenbury gave a luncheon at the Jockey Club to the Minister of War and the Chiefs of Branches. About fourteen Argentine Officers were present. Following this event on the 19th a luncheon was given by the Liason Officer of the office of the Minister of War.

3. Due to the fact that there was no clerk in the office who knew the details of papers, etc., quite a little time necessarily elapsed before I could complete taking over the office. Advantage too was taken of Major Dusenbury's presence to secure contact with all the people he knew who might be of assistance to me. Major Dusenbury departed on the 27th inst.

4. There has been considerable reference to the U.S. Mexican-Nicaraguan situation in the local papers here during the month. Most of the articles appearing are dispatches from the United States papers. However "La Prensa" has had some articles of its own decidedly anti-American on that subject as well as the question of embargo on meat, grapes and alfalfa seed.

5. On January 15th from 8 to 11 p.m., there occurred, on the public square near the Boston Bank building, a mass meeting of the Latin-American Society with the announced purpose of registering their disapproval of the action taken by the United States in Nicaragua. Some 3000 people were present though not more than 25% took an active part in the demonstration. A great many, no doubt were there from mere curiosity. When it was noted a few days later that some 5000 people gathered at a railroad station to see the police bring in a notorious bandit, the importance of a 3000 unenthusiastic crowd did not convey the idea of a serious situation.

A.S. of S. - G-2
January 31, 1927

6. In "La Prensa" this month there appeared an article purposing to analyze the target practice on the "Rivadavia" last December. Stating the slow time and non-functioning of the turrets were due to faults in modernization as carried out in the United States. The following day the Minister of Marine issued a statement of denial and said that the ships and personnel were in first class condition. The Chairman of a Congressional Committee which investigated the target practice entered the debate in an effort to prove the Minister's statement untrue. I am informed there is nothing wrong with the Battleships. The incident is mentioned, however, to show the anti-American as well as anti-Governmental attitude of "La Prensa".


C. T. Richardson.
Military Attaché.

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

March 7th, 1927

A-38

To: Ass't Chief of Staff, G-2

Noted
M. Margotte.

Subject: Current Events for the Month of February.

RECEIVED G-2 W.D. APR 1 1927


✓ 1. On February 11th there occurred in Buenos Aires an out door meeting of La Liga Pro Unión Americana, similar to the one reported January 31st except only about 800 people attended and they showed very little enthusiasm. This is covered in full by separate report.

2. Congress was adjourned of its special Session during the month. Matters submitted by the President for consideration were:

- (a) Budget and Tax Laws
- (b) Supplementary Credit
- (c) Modification of Laws governing electoral register.
- (d) Consolidation of debt to "Banco de la Nación"

Of there definite action was taken on (a) only. For several weeks after the budget was passed it was impossible to secure a quorum to do any business.

3. The Aviators with four planes arrived in Buenos Aires on February 26th at 3:00 p.m. and landed in the port. At 4:45 they took off for Palomar and about 5:00 p.m. the New York and Detroit collided resulting in death of Capt. Woolsey and Lt. Benton. Detailed report covering all phases is being written up separately.


C. T. Richardson
Major G. S.
Military Attache.

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHÉ
BUENOS AIRES, ARGENTINA

April 5th, 1927

CONFIDENTIAL

A-42

To: A. C. of S. G-2

Subject: Current events for the month of March.

RECEIVED G/2 W. D. APR 28 1927

1. The St. Louis and San Francisco departed for Asunción on March 2nd. Lt. Whitehead and Lt. Weddington departed on the trans-Andine railroad on March 3rd. The San Antonio arrived in Buenos Aires on March 4th and left for Montevideo on March 5th. Clippings and observations of the undersigned were forwarded by last mail. A request was received from the Minister in Uruguay that the undersigned should be in Montevideo on March 1st in order to be present for the inaugural ceremony of the President of that Republic. In view of the work necessary in connection with the Aviators and the clearing up of matters pertaining to the accident, compliance with that request was impossible. On March 13th I went to Montevideo, met the Minister and he apparently thoroughly understood my position on March 1st. I remained in Montevideo until March 18th and presented my credentials in person to the Uruguayan Government. The Minister was ill on the reception day and I was presented by the British Minister. I returned to Buenos Aires on March 18th.

2. Lt. Colonel Samuel A. Casares departed for London on March 30th for duty as Military Attaché, he is a Cavalry officer and was promoted to his present grade in December of 1923.

3. It is noted in the news-papers that the Bolsa (Stock Exchange) of the city of Buenos Aires and of Rosario have declined an invitation to attend the Commercial Pan American Conference to be held in Washington in May "Because of the recent prohibitive measures taken by the United States against fruit meat and Argentine seeds" (La Nación, March 24th, 1927.) I was informed by Mr. F.A. Heath head of the Standard Oil interests here that he is a very close personal friend of Guillermo Padilla, President of the "Bolsa de Comercio" in Buenos Aires and that Mr. Padilla went to the Standard Oil Company on the day they refused an invitation to send a delegate to the Pan American Conference and said among other things that he had just seen the President of the Nation who had informed him that no further Argentine loans would be floated

A.C. of S. G-2

in the United States. Mr. Padilla further told Mr. Heath that he had also seen General Enrique Mosconi, head of the Government Petroleum Industry in Argentina who had advised him that the government was recalling the entire purchasing Committee for the United States intending to purchase their material elsewhere. All these steps are being taken in connection with prohibitive measures reported in the papers as having been adopted in the United States against Argentine products. The above is reported as showing more or less the feeling in high official circles. Personally interrogating the heads of the American Banks and other business men here including the Commercial Attaché, it seems to be the consensus of opinion that so far business has not been affected, sales are continuing at the same pace as here to fore and American business people are hopeful that matters will be adjusted before business is affected.

4. The Chargé d' Affairs was informed first by the Cuban Minister and later by the Under Secretary of the Argentine Foreign Office, that the Mexican Minister here, Tejada is being recalled. The Under Secretary practically admitted to the United States Chargé that the Argentine Government had taken action for his recall. The Foreign Minister told the Cuban Minister: "We have been very patient with him". Tejada was in the Embassy on April 4th for visa on passport. He was not in a very good humor at leaving; he sails for Rio de Janeiro on the Southern Cross, April the 7th, en route to New York but will stay two weeks at Rio. He stated that he was assigned to Cuba but did not know that he would ever report there. Tejada has not been very popular in the Diplomatic Corps due mostly to personal characteristics and it has been reported that he has furthered Communist propaganda in this country. No direct evidence has been secured on this point. The Mexican Minister will be relieved by Alfonso Reyes from Madrid.

5. Two very important conventions are scheduled for April. An attempt is being made by the "Conservadores" and "Demócratas" to unite in one party in Cordoba on April 2nd all Anti-Irigoyenistas regardless of party affiliation. Then on April 20th convenes a Radical party which is the ruling party of the country. During the past six years this party has been divided into Personalistas for Irigoyen and Anti-Personalistas now in office under President Alvear. Careful resumé of the electoral college reveals that if all votes were cast strictly along party lines no one could muster 189 votes (sufficient to elect) out of 386. The Personalistas are very close, however,

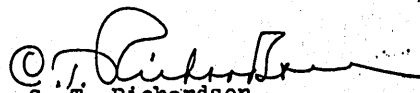
A. C. of S. G-2

which is driving the other parties to unite under the slogan "Irigoyen no puede repetirse".

✓6. Progress is being made towards the construction of a powder factory at Villa Maria in Cordoba. Plans and estimates are now being drawn up, and are to be submitted in August. It is estimated that eighteen months after approval, the factory will be in operation. Koln, Rosweill Pulver Fabriken de Berlin has received the contract under which it is estimated will be expended \$2,000,000.

✓7. Brigadier General Julio R. Garino and Dr. Carlos M. Matta departed on the 5th of April for Europe to attend the International Congress of Medicine and Hygiene.

8. The above is being covered under proper sections on Political Digest and it is hoped to forward by the end of April data, on sufficient sections to cover 90% of the Minimum Requirements.


C. T. Richardson
Major, U.S.M.A.

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHÉ
BUENOS AIRES, ARGENTINA

2048-182

April 30th, 1927

3790

To: A. C. of S. G-2

Subject: Current Events for the month of April

1. On April 29th the Anti-Personalista Convention nominated Leopoldo Melo and Vicente Gallo for President and Vice President respectively, in the elections to be held in March 1928. A long platform was announced but the real issue is to beat Irigoyen.

2. Various provincial parties which met in Cordoba on the 2nd. of April will re-convene on May 31st, when it is expected they will announce their intention to support the above mentioned candidates.

3. The two houses of the National Congress met this week to organize and elect officers for the session which will begin on Tuesday May the 2nd. The Chamber of Deputies to date have not mustered a quorum.

4. Immediately upon the announcement of Melo's nomination as candidate for President, the mayor of Buenos Aires Dr. Noel submitted his resignation to the President. Noel and Melo have been enemies since Melo, as a member of the Senate, fought against the confirmation of Noel as Mayor. The latter probably thought that his remaining as Mayor during the presidential campaign would embarrass Melo. The successor to Noel is Dr. Horacio Casco.

5. The Socialists have a project for intervention in the Province of Buenos Aires. The reason being that the Governor is not enforcing the laws as regards gambling, especially roulette which is a favorite passtime at Mar del Plata and other resorts. The Radical Personalistas say it is a political move to oust the Irigoyen administration from the province previous to the elections.

6. The President on April 1st released for publication authorized expenditures under the 1927 Budget (No. 11389) passed January 31st. They are given in a report under 5020 (b) forwarded in this mail.

7. There is released for publication this date the figures for the Foreign Trade for the year 1926 as follows:

To: A. C. of S. G-2

Foreign Trade - 1926.				Amounts in Gold Pesos.			
Year:	Imports	Exports	Trade	Total Foreign Trade	Balance of Trade	Imports per Capita	Exports per Capita
1926:	822,496,497	792,178,522	1,614,675,019	-30,317,975	79.8	76.9	

In computing figures per Capita the figure 10,300,000 is used for the population. This figure is given by Alejandro Bunge in the Revista de Economia Argentina 1927. No census has been taken since 1914.

8. Lord Ampthill arrived from London during the month, he is connected with an English construction firm which is making a study, and hope to receive a contract for 27 million Pounds Sterling for subway construction in the city of Buenos Aires.

9. The Military Attaché of the Italian Embassy, Lieutenant Censi, departed on April 7th. It is rumoured though not confirmed by the Italian Embassy that he will not return. He had some trouble with the police over speeding which resulted in a fisticuff and a couple of hours in jail.

10. A forty-eight hours strike during April by Port workers and Taxi drivers as a protest for Vanzetti and Sacco, was an absolute failure, except with the taxi-chauffers; and as many expressed it, that was a blessing rather than a hindrance.

11. General Justo the Minister of War, on April 12th during an air plane trip from Cordoba to La Rioja, jumped from the plane with a parachute. General Justo gave as a cause that he thought the plane had gone into a nose dive and therefore jumped. The incident occurred about 13 kilometers from a railway line, and about 150 miles from his destination. The air plane continued its journey and the General walked to the railway station. He completed the inspection trip of some three or four days by plane.

12. Lieutenant Zarr of the Navy departed for London during the month for duty as air craft member of the purchasing mission.

13. Mr. L. Leon the Curtiss Agent has departed (on the 7th) for the United States. The Curtiss Co. sold out all their tools, spare parts, etc. for about 27 thousand pesos.

14. As published in New York papers a loan of \$50,000,000 m/n (Argentine paper pesos) authorized in law No. 11333 for public works has been placed in New York this month.

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15. It is reported that a \$15,000,000 gold loan for Navy construction is now in the offering. It was offered to England I am informed, and they agreed provided some large percentage of order to be placed in England, and that 50% of the funds remain in English Banks for six months. This was refused.

Further I am informed that France had been approached, but agreement could not be reached.

Mr. W. W. Woods of the National City Bank here said that the United States Banks had not been approached.

16. Carlos Alfredo Tornquist who is now in the States, among other things, is on a mission to float a loan to consolidate the debts of State railroads. Law 11389 authorizes a loan of 142,000,000 pesos, at 6%, to be floated not under 94%. This will take care of debts only to end of 1924.

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RECORD SECTION
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C. T. Richardson
C. T. Richardson
Major G. S.

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE,
BUENOS AIRES, ARGENTINA.

May 31st, 1927.

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To: A. C. of S. G-2

Subject: Current Events for the month of May

RECEIVED G/2 W. D. JUN 23 1927

1. Congress met finally on May 18th. instead of May 2nd. The delay was due to the lack of a quorum in the Chamber of Deputies. The Standard greeted their opening with a long editorial warning them of happenings in Italy, Chile, etc., and ended with the following:- "Will Argentina's National Congress waste another session in mimic tournaments of oratory scintillating, expensive, and profitless? The indications are so unfavourable that it is rank optimism to hope that the Conscript Fathers will not be so blind as to forfeit the last remnant of intelligent public respect. For with that lost, any pretence to pose as 'representatives of the people' is simply ridiculous, as ludicrous, say, as the pose of the 'Emperor of the Philippines' in his wattle and plaster 'palace'".

2. The President delivered a message which covered the problems of the country very fully. Copy is attached hereto. It will be noted that he states there was a surplus of \$800,000.- m/n in receipts over expenditures.

3. Reference note on Evaluation report dated May 2nd, 1927, Argentine Loans; quoting President Alvear reference future loans was made simply to show the feeling in high official circles. Practically the effect cannot be very great, as such an attitude is unsound economically. The loan for \$31,000,000 U.S. was floated in compliance with law No. 11,333 for Public Works as reported in paragraph #14 Current Events for April.

The loan for Armaments mentioned in #15 Current Events for April, has been placed with Spain. The amount is 100,000,000 pesetas issued at 97% and 1% amortization; and to bear 6% interest. Spain is to deliver to Argentina at once destroyers Churuca and Alcala Gabiano for a total of about \$3,000,000 U.S. and she is replacing them by new construction. It is further

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reported that some requisites for the Army will be bought in Spain. British paper commenting on easy terms states it is an easy matter to arrange low interest rates for loans and add the difference to the price of the two destroyers. Considerable space is given in the papers to this economic revival with Spain.

✓ It was reported on May 25th that Italy had offered to make a loan to Argentina for the purchase of two cruisers, for which I am informed contracts have already been signed.

✓ It is mentioned, though I have been unable to confirm, that two destroyers similar to the Spanish will be built in England, and a loan to pay for them will be floated there.

✓ Mr. Hill, Vice President of the Bethlehem Steel Co., has been here two or three months endeavouring to secure some of these contracts. To date he has been unsuccessful.

✓ The above loans and purchases are being made in conformity with law #11,378 authorizing the Executive to purchase new vessels to replace old units.

4. Reference reported interest by a British Syndicate in Subway Construction in Buenos Aires; the Mayor announced a few days ago that no construction of that nature will take place till after the Presidential Elections. Much also is appearing in the papers stating that the Lord Ampthill Syndicate has not the financial backing they claim.

✓ 5. Lt. Col. José M. Sarobe departed this month for two years study in Europe. So far as I can learn he has more or less a roving mission and will visit several countries.

6. Intervention in Province of Buenos Aires to oust the Irigoyen regimen and reorganize the province politically along Anti-Personalista lines, is the topic now being discussed by politicians. Probably to discourage such actions, one evening paper is now saying that Irigoyen has declined to be a candidate for President.

7. On May 8th. a cargo of silk worth \$508,000 m/n was captured by custom authorities as an attempt was being made to smuggle it into the country.

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✓ 8. The Air Service of the Argentine Army has been re-organized and made a "Dirección General" which places it on a par with other branches of the War Department. The change is purely administrative and does not affect its organization.

✓ 9. The English and French Legations here have been raised to Embassies, as of May 25th. The present British Minister, Sir Malcolm Robertson, has been named British Ambassador. The French Minister does not know whether he will be appointed Ambassador or not.

✓ 10. The Minister of Foreign Affairs, Dr. Gallardo, has been invited to be present at the inauguration of the Statue of General Belgrano to be unveiled in Genoa on October 12th, as a special guest of King Victor Manuel. Dr. Gallardo has answered the invitation, stating that he will attend if his duties as Minister permit; he will very probably leave towards the end of September.

11. The Ministry of Justice and Education issued a decree on May 20th. accepting as the new official version of the National Anthem a composition by Messrs. Carlos Lopez Buchardo, José André and Floro Ugarte. Copy attached.

✓ 12. The sloop of war "General Baquedano" of the Chilean Navy arrived in the port of Buenos Aires on May 23rd and will remain in Buenos Aires until June 1st.

✓ 13. I am enclosing an extract from a letter written by Dan Carey, Int. News Service Agent in Buenos Aires, to his head office in New York. This is the view of a newspaper man who has been in this country four years. It might possibly be colored somewhat by the fact that the International News service is very weak compared to its two competitors; however, in my conversations with different people their ideas vary little from those expressed in the attached extract.

✓ 14. On May 22nd the President assisted at the presentation by the Italian Colony in Buenos Aires, of an elaborated monumental flag staff in commemoration of the visit of the Italian Prince to Buenos Aires in 1924.

✓ On May 25th, the Spanish Ambassador made the formal presentation of monument given to Argentina in 1910 in commemoration of the Centenary of Independence, and the completion

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of which was delayed during the war.

15. Conflict in the Province of Tucuman between the sugar cane growers and the sugar mill owners is reaching national importance. The growers are demanding higher prices for their cane and state they will burn it in the fields if this is not granted. The mills on the other hand are loaded down with sugar which they cannot afford to sell at current prices. The President interviewed some of the interested people in an effort to settle the dispute satisfactorily to all.

16. The data discovered in the Arcos raid in London as well as in Portugal, reference to the activities of Communists in Argentina has been noted here. The situation has not changed so far as I have been able to ascertain since my report dated March 7th. I do not think the field here at this time is very fertile for their activities.

17. I am enclosing a new magazine which made its appearance recently. It will be noted it is published in seven languages. The Editor, Victor Alcorta, is a National Deputy from the Province of Santiago del Estero. He is reported as a man of no exceptional ability along editorial lines. Alcorta was elected on a Radical Ticket and was formerly a supporter of Irigoyen but is now classed as an Anti-Personalista. Investigation is being made to ascertain the financial backing of this magazine. It may be noted that it has a decided Anti-United States tone and in itself would lead one to believe there is Spanish influence behind it. Further report will be submitted.


E. T. Richardson
Military Attaché.

Encl 4 filed in safe 1A
Rome 2743

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

May 27, 1937.

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Extracts of letter written to King Features Syndicate, Inc.
241 West 58th St., New York City, by their representative
in Buenos Aires.

"Recently, I read an article by David Lawrence in the Saturday Evening Post, in which he stated that there is little truth in the fact that propaganda against the United States exists in South America. He announced that the best friends of the United States are to be found in South America. This statement was so foolish and so utterly without foundation that it attracted my attention immediately.

"The truth is that there is an intense propaganda against the United States in South America, and particularly in this propaganda to be found in Argentina.

"I cannot but think that the news associations have furnished ammunition for this propaganda, and it is for this reason that I am writing you this letter fully explaining the situation here, and adding to it the request that so far as is possible, without suppressing the news, please let us do our bit towards protecting American interests in South America.

"The man who says that there is no propaganda against the United States in South America speaks without knowledge of the facts. There is a Communist propaganda here emanating from Russia, but in my mind this is not important. Russia is engaged in propaganda against the entire world and she merely includes America in her program. Therefore, we will dismiss Russia. She is unimportant, except that she is to be watched. The real propaganda against the United States in South America emanates from England, and it is propaganda which has in view the recapturing of her trade with Argentina. England is using her propaganda against us certainly here, and possibly elsewhere, just as she used it against Germany for ten years before the World War.

C. T. Richardson
Major U. S. A. F. C.

"England has been in Argentina for more than one hundred years. In that time she has secured control of the railroads, the telephone systems, one of the telegraph companies, much of the meat packing industry and the principal cattle ranges are owned by Englishmen or their descendants. England regarded Argentina as her natural happy hunting grounds up to the time of the World War. During the war, Americans came, sold to Argentina and captured the trade. England is now engaged in a commercial war with us to recapture the Argentine trade, and she is using every means at her command, fair and foul.....

"As I see it from this distance, there are three distinct causes for the Anti-American propaganda here. These are:

First; the pitifully deplorable condition of the United States Department of State. Second; the Monroe Doctrine. Third; the campaign utterances that are now being made in the United States for internal consumption, but which are sent out by the press associations to foreign countries, thus furnishing ammunition for the Anti-American propaganda. As I told you, I am giving you the viewpoint of one who lives seven thousand miles from home and who sees his country, which he loves, from afar.....

"Now, we come to the news associations. You know, as well as I, that the Associated Press has an exchange arrangement with the various propaganda agencies of Europe. They announce this exchange of news, but the result is that through the medium of the Associated Press, the government owned or controlled agencies of Europe are feeding their propaganda through the hands of their censors into the Associated Press and it goes not only into the United States but comes to South America.

"The United Press in South America is absolutely controlled by the policies of La Prensa of Buenos Aires, one of the chief opponents of the United States here. The consequence is that its news is colored always against the United States, and it is only necessary to read United Press despatches in La Prensa and La Razon of Buenos Aires to be thoroughly convinced of this fact."

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

2048-182

THE STANDARD, Thursday, May 19th, 1927.

OPENING OF CONGRESS

Dr. ALVEAR INAUGURATES THE 66th SESSION

Reading of the Presidential Message

The opening of the 66th session of Congress had been looked forward to with keen interest by politicians and the general public alike, not so much on account of the act itself as for the general eagerness to know what the President of the Republic had said in his Message.

Presidential messages to Congress are always interesting, but that of yesterday was expected to be of unusual importance owing to a number of factors which have not been present on previous occasions. The first and most important of these was undoubtedly the definite split that has been produced in the Radical ranks by the recent proclamation of Anti-Personalist candidates for President and Vice-President of the Republic in the persons of Dr. Leopoldo Melo and Vicente Gallo, candidates who are to be sustained jointly by practically all the political parties outside of the Personalist tendency. Naturally it was expected that the President would mention this matter in his message to the Chambers and the public felt a keen interest to hear what he had to say about it, especially as His Excellency said some days ago, when refusing to give his personal views on the political situation, that he would do so at the opening of Congress.

Another very important factor which had the effect of arousing the public interest in the reading of the Presidential Message was the grand Peronist demonstration of Saturday night against the project of intervention in the project of Buenos Aires, a matter which Dr. Alvear was expected to mention in view of its significance in conjunction with other important political happenings of the last few days and of the expectancy its outcome had caused in the masses.

Then there was yet another important reason why more than ordinary interest should be centered on the present inauguration of Congress, viz., because it was to be the last time that Dr. Alvear was expected to read a message of general interest to all po-

litical shades of opinion. As a matter of fact, when the present First Magistrate reads his last message to Congress next year his term of office will have almost expired and general interest will not be so much focussed on him as on his successor, who by that time will be definitely considered and will be the central political figure of the moment.

In view of the foregoing considerations it was, therefore, small wonder that immense crowds turned out yesterday afternoon to take up positions along the Avenida de Mayo from which to witness the passage of His Excellency the President of the Republic, his suite, and escort as they marched down to Congress Hall.

The First Magistrate was accompanied in his carriage by Dr. José P. Tamborini, the Minister of the Interior, and his escort was composed of a Squadron of the Granaderos a Caballo General San Martin, while a regiment of Infantry was drawn up in front of the entrance to Congress and pickets stood at guard at the street crossings along the route. Besides there was a strong display of mounted guards of the Squadron of Security who had something to do in order to keep back the ever increasing multitude who strove eagerly to get a view of their President whom they loudly and enthusiastically acclaimed at frequent intervals along the route.

In the vicinity of Congress the police found it a really difficult task to keep a way clear through the immense throngs for the passage of the President, and his suite who finally drew up at the main entrance to the Chambers at 12:45 o'clock. The First Magistrate was received at the entrance by a joint committee of Senators and Deputies who conducted him through a double line of armed firemen to the rotunda of the Chamber of Deputies. Long before the arrival of the President of the Republic the galleries and every available space within the Chamber were packed

there being present, in addition to the Legislators and their families, superior State officials, military and naval officers of high rank, the members of the Diplomatic Corps, Cabinet Ministers, political notabilities (and such) of villians as were fortunate enough to obtain the few invitations that remained over after the official world had been served.

As soon as Dr. Alvear had occupied the place of honour reserved for him at the table of the Presidency of the Chamber, he at once commenced the reading of his Message of which we are compelled, for want of space, to condense our report to the essential parts, giving preference, of course, to Finance as being the part that most interests the general public, while we will also endeavor to give considerable attention to the Departments of the Interior, Foreign Affairs, Agriculture, Public Works, Education and those of War and Marine.

Dr. Alvear only read the introduction and part of the first chapter of his lengthy message, the remainder being read by Dr. Zambrano, the Secretary of the Chamber of Deputies.

THE MESSAGE

Introductory Remarks.

Addressing the Senators and Deputies, Dr. Alvear said that he was bringing to them the words of the President of the Nation at a time when the country was beginning to feel the first activities of the electoral campaign for the renewal of the Government of the Republic.

Continuing, he said that in all social activities this is the dominant preoccupation of the moment, and according as time advances and the solemn hour approaches, the phenomenon will become more accentuated, absorbing the activities of the representative and directing men and the attention of the public.

It could be said, as well as contrast to sincerely to elude the theme more of our indifference

regard to it were real, because I can conceive nothing more baneful for the spiritual health of the Nation or more contrary to its progressive evolution than the indifference of its citizens in the face of the problem as to who should govern it and the manner in which it should be governed.

You will not be surprised, therefore, to hear that from this high position in which I have been placed by the votes of my compatriots, I should think it opportune to inform you that neither the weight of the task nor the troubles which are inherent to it have succeeded in weakening the fire of my patriotism or of my Republican faith. Something superior to all injustices or errors as appreciated by man encourages and comforts me. That something is the satisfaction I experience as an Argentine when I think that I can perceive over the whole extent of the country the growing tension which embraces the will and the hearts of my compatriots and urges them to proclaim, to discuss and to struggle for the triumph of their ideals and of their hopes. The solemn hour which I have referred to is also such for me and I am ready to fulfil the mission which my conscience indicates to me.

The Argentine people will have guarantees for the expression of their will. The solutions will come by the road trodden by the majorities without any fear of their progress being checked by the power placed in my hands.

I can assure you that all my energy will be dedicated to the high duty of guaranteeing the free election of our future manacles. I think that I have demonstrated by my conduct in the Government that I am capable of doing this.

Dr. Alvarez referred more extensively to the political activities of the Republic and he wound up his introductory remarks by urging Congress to diligently comply with its duties during the term being inaugurated and assuring the Chambers that the Executive Power would co-operate with them in their work.

FOREIGN AFFAIRS

The foreign relations of the country are still cordial. The importance of the country is acquiring as shown by the world's interest in learning of its activities. This is shown by the frequent visits of university men, journalists, merchants, capitalists and even eminent statesmen of Europe and America, such as Dr. Luther, to all of whom the Executive paid due attention.

The visit of the British ships Colombo and Capetown, and the Belgian training ship L'Avenir, gave occasion for renewal of expressions of sympathy. The message mentions the visits of Colonel De Pinedo and Major Darguc

and the visits of special embassies to Brazil and Uruguay.

Diplomatic representation had been extended to Santo Domingo. The Bolivian boundary settlement is pending the sanction of Congress.

Among treaties made is one with France concerning military service and negotiations are under way for similar treaties with other countries.

A treaty was signed at Washington dealing with improvement of the navigation of the Upper Parana and the utilization of the Apipé waterfalls.

A treaty of amity and peace was signed with Turkey at Rome.

The League of Nations invited Argentina to the preparatory disarmament conference. The Executive again invites Congress to decide on adhering to the League.

The Government took part in the Permanent Labour Conference at Geneva, and will take part in the next on May 26th.

Commercial relations are developing normally.

In several countries there have been sanitary or other regulations affecting Argentine trade, but in most cases the Government has been able to overcome the difficulties.

The immigration problem has not been so troublesome of recent years, and the Government will encourage colonization enterprises.

RELIGION AND CHARITY

Fray José María Bottaro has been designated Archbishop of Buenos Aires and has taken possession of his diocese. Four bishoprics are vacant, and await senatorial nomination.

The Government charity commissions are fulfilling their functions regularly.

A national colony of Dermatologists will be founded in Cerrito Island. Various important hospitals have been opened and others enlarged.

FINANCE

On inaugurating the sessions of the last term I informed Your Honours that the amount of the foreign debt at the 31st of December 1925 was, with slight variations, \$22,202,222.12.

The issues during the year reached to \$29,912,222.48, represented by loans raised in North America for \$20,000,000 gold and \$19,900,000 gold, in fulfilment of the prescriptions of Law 11,222, 11,226 and 11,332, sanctioned by Congress.

On the other hand, the amortizations during the year amounted to the sum of \$4,919,661.08 paper, which left the external consolidated debt standing at \$19,980,560.90 on the 31st of December last. The internal consolidated debt at the end of 1925 amounted to \$910,722,920 paper. The amortizations during 1926 amounted to \$27,520,000, of which \$12,000,000 was destined for public works and the remain-

ing \$25,000,000 for the continuation of the sanitary works. The amount cancelled during the year was \$21,012,224.55; the total amount of the internal consolidated debt at the end of last year standing at the sum of \$957,222,245.45 paper. The total, including the international and external debts, amounted on the 31st of December of 1926 to the sum of \$1,842,722,920.95 paper.

The non-consolidated debt of the Nation amounts at present to the sum of \$397,050,001, exclusive of the debt of the State Railways. The comparison of this sum with the total of which I informed Your Honours in my last message gives a diminution of \$22,200,000, which has been produced in its entirety by the consolidation of the loans for Dis. 20,000,000 and Dis. 27,000,000, which had been contracted for the renewal of the Navy. The consolidation of this last loan has been beneficial to the National Treasury because by its means 7% bonds have been withdrawn from circulation and 6% bonds issued in their stead.

With the consolidation of these loans the short-term debts abroad completely disappeared. The consolidated loans were the following:

Short-term liabilities	\$322,150,000
Loans with bond security	\$8,000,000
Other	\$8,000,000
Difference in exchange	\$25,000,000
Conversion Fund	\$15,200,001

Total \$397,050,001

The amount that still remains to be consolidated will disappear almost entirely if Your Honours will sanction the project for the consolidation of the debt of the United States Nation, which has already the favourable report of the respective commission.

In the month of May of 1925 a long-term loan was contracted for the amount of \$20,000,000 dollars at the type of 4.50% of the nominal value. The funds of the nominal value were obtained being used to consolidate the Government loan authorized by Law 11,222 and 11,226.

The necessity of fulfilling the plan of public works authorized by Law 11,332 compelled the Government to contract a loan for \$27,000,000 dollars in the month of September last, which was issued at 25% of its nominal value.

Recently, in February last, the Executive Power contracted a new loan for 27,000,000 dollars to consolidate the loan for the same amount raised in the beginning of the year 1925, the service of which was in charge of the Board of the Obras Sanitarias. This loan was also placed at 25% of its nominal value, which was a very favourable result for our country, which has been seeing the appreciation of its credit year after year abroad.

and the maintenance of its situation of advantage over that of the other countries of South America.

It must be borne in mind that the loan referred to is not a new debt, but the consolidation of the short-term loan contracted for sanitary works on the 6th of March of 1922, which had been bearing interest at the rate of 7 1/2 per cent. and has been transformed into a consolidated liability yielding only 6 per cent. The operation was, consequently, very favourable to the interests of the State.

THE BUDGET.

In spite of the diminution of the revenue from the Custom House, I have the pleasure of informing Y. H. that the financial year which ended on the 31st of last March closed with a surplus of about \$800,000 in the Budget.

In its endeavour to confine the expenditure of the Administration to the total amount of the revenue, the Executive has abstained from authorising expenditure which did not respond to the essential needs of the public services or to obligations which it is incumbent on the State to fulfill within its borders or abroad.

These purposes of keeping the expenditure within the limit of the indispensable have not prevented the Executive from making some expenditures outside of the Budget, which were attended to from ordinary resources authorised by special laws or by agreements of Cabinet Councils. Expenditure of the first kind was made to the amount of \$1,066,500 and of the second to \$1,535,816.00, both being justified in needs which could no longer be neglected without harming the administrative service or incurring in a lack of fulfillment of obligations contracted by the State.

The total revenue collected amounted to the sum of \$10,417,018.70, and the expenditure to \$9,617,581.10. The Superavit, in consequence, amounted to the sum of \$799,437.60, which, though very inferior to the result of the previous financial year, was none the less encouraging, since it shows the balancing of the expenditures and the revenue which is the chief characteristic of orderly and prudent administration.

BANKING.

The policy of unlimited liberality in the banking organization of our country has, however, always given satisfactory results. The want of legislation on this important matter gave motive for the message and project law presented to Y. H. in June of 1921. Three years have elapsed since then, and the Executive Power

still lacks the means to organize the complex banking machinery which is in a state of backwardness that is not justifiable.

In the message of the 21st of September last I reiterated the motives I had in submitting the said project and to-day, as you commence the labours of the year, I entreat Your Honours to give it your attention.

BANCO DE LA NACION.

The year's activities of the official banking institution have been constantly on the increase as is shown by the credits accorded for the protection and development of our production, commerce and industries.

The credits accorded to agriculturists amounted to \$182,215,082 as compared with \$117,084,004 in 1925, or an increase of \$65,131,078.

The loans for regional crops, such as yerba-mate, cotton and wines, which have attained such expansion in latter years, amounted in the aggregate to \$8,980,588, and the funds advanced to merchants and industrialists increased by \$45,326,340 and \$6,190,567, respectively, as compared with the previous year.

BANCO HIPOTECARIO NACIONAL.

The requests for loans numbered 5475 for a total of \$249,747,950. The total amount loaned by the Bank at the end of last December was \$1,486,603,880, the cédulas in circulation on that date representing the value of \$1,365,071,800.

The profits for the year reached to \$17,209,270.86, which, added to the reserve fund, increased its total to the sum of \$155,374,029.43.

It gives me pleasure to announce to Y. H. that the Department of Finance will shortly edit a publication giving the results of the work done by the special committee appointed by the Executive Power, by decree of December 30th, 1924, for the study of the mortgage credit of the country.

INLAND REVENUE.

The revenue from internal taxation amounted to \$115,075,500.30, exceeding the estimated amount by \$4,594,266.24. These figures are satisfactory since they represent an increase of \$100,000 over the amount collected the previous year and a doubling the amount of the revenue of 14 years ago.

The problem of double taxation, national and provincial, assuming too much importance, is disquieting proportions and it is necessary an urgent solution. This circumstance prompts me to call the attention of Y. H. to the

project law which I had the honour to submit to your consideration in 1924, treating of the unification of internal taxes on an equitable basis.

NAVY.

The First Magistrate gave a brief summary of the activities of this Department, and wound up by stating that if the funds solicited by the Executive Power of Congress are forthcoming, the following works will be proceeded with:—Building for the Military College with capacity for 700 cadets; Infantry barracks for Rosario, Santa Fe, Bahía Blanca and the Federal Capital; barracks for Mounted Infantry at Concepción del Uruguay; barracks for cavalry at Concordia, Curuzú-Cuatiá and Tucumán; barracks for aviation forces; barracks for communications; personnel and military hospitals in Paraná, Córdoba and Tucumán.

NAVY.

The activities of the Navy proceeded normally during the year 1926 within the limited resources assigned to the Department by the Budget law that continues in force since several years back. Both the Rivadavia and the Moreno were reincorporated last year and had the opportunity of demonstrating the improvement that has been made in them by the modernization to which they were submitted. The other units of the Navy have fulfilled their different missions satisfactorily, some representing the Government at anniversaries of changes of government in the sister Republics of Paraguay, Brazil and Uruguay, while the Sarmiento, after being modernized, made a lengthy voyage of circumnavigation during which she visited Japan to return the visit made by our country by an important naval division of that powerful nation.

INTERIOR.

The Executive Power in its political relations with the Provinces, constantly kept to the principle, so often declared before the Honourable Congress, of respect for provincial autonomy.

The E. P. has had frequently to reject petitions or suggestions which signified the lessening of this basic principle of our constitutional organization, because such attitudes have been based on the erroneous belief that the Central Power is vested with a special authority, which it does not possess over the provincially governments which are legally constituted. Any Government trying to restrict the liberty of the provinces on such a basis, is in the true Constitutional Government that the National Government has the right and the obligation to maintain respect for and institutions

constitutional guarantees in the whole country, but comprehending that its intervention, in the presence of the deviations that may take place in the functions of the local governments, is only permitted in really extraordinary cases which are of such magnitude that they cannot be tolerated as simple episodes of normal processes which take place in the development of political improvement in each one of the affected centres. It was in accordance with this criterion that the National Executive Power conducted the renovation of the local powers in those provinces where intervention was necessary and according to the constitution and laws which regulated each case.

POST OFFICE AND TELEGRAPH

The primary attention of the Executive Power during the past year has been to obtain the perfect operation of the Postal and Telegraph services. This important public service has been carried on regularly notwithstanding its extraordinary growth and the shortage of personnel; each day more apparent.

On the 12th of July last was inaugurated the Library and Museum of Postal and Telegraphs, as also the Philatelic Section as a part of the same.

By an arrangement made with the Union Telephone Company, in the Federal Capital, and the Telephone Company in Tucuman, has enabled us to endow both localities with the service denominated telephonograms.

The general movement of ordinary and registered correspondence received and despatched, internal and international, excluding parcel postage, drafts and declared valuables, has reached the amount of 2,093,347,553 pieces, thereby revealing an increase of 27,685,792 over the year 1926. The internal parcel postage received and despatched reached 10,920,302 pieces for the former and 23,112,023 for the latter.

During the year 1927 there was a great increase in the movement of internal postal and telegraphic drafts in the case of the Post amounting to 2,375,499 items for a total of 176,307,613.33 min. and in that of telegraphic orders 137,944 items for a sum of 19,036,132.43 min.

The total of declared values received was 113,541 items for a sum of \$57,958,382.06 min. the despatches being 47,711,923 for \$64,871,381.12 min.

The telegraphic lines on the 31st of December last amounted to 44,348 kilometres in extent and to 114,318 kilometres of development.

The National Post Office Savings Bank.

The economic life of the National Post Office Savings Bank is secured and its prosperity is revealed by the last balance sheet. On December 31st, 1927, there were \$71,942,552.46 min. in de-

posits in a total of 1,299,491 accounts. From this last amount must be deducted the accounts cancelled that reach 276,367, leaving a total actual circulation of 1,023,124 accounts.

Since the date of its foundation the sum of the deposits has been \$268,883,692.87 min.; deducting the value of the payments, which is \$210,538,161.45 min. there remains a favourable balance in the Bank of \$58,355,531.42 min. to which must be added \$13,588,081.04 for interest capitalised up to December 31st, 1926, which gives us the balance already increased of \$71,942,552.46 min.

PUBLIC WORKS

The execution of public works has had the constant attention of my Government. The great areas of rich territory in the Republic need such works, as without them their progress is retarded. Works, such as the construction of State Railways, the organization of their administration, and the general law of roads and communications, the sanction of which will put into the hands of the Executive Power all the necessary elements for proceeding with and completing some fundamental public works, which will bring positive benefits for the development of the National wealth.

State Railways

The railroads continue their development, with the delivery for public service of various new lines and branches constructed by the Nation, the Provinces, and private companies.

Last year the following sections of various railways were incorporated under the National Jurisdiction: State Railways, the branch from Tucuman to Lila Vieja, a length of 47 kilometres, and a section of 23 kilometres of line from San Juan to Jacha. On the Central Cordoba Railway a branch was opened from Arcadia to Estacion, a length of 9 kilometres. On the Great Southern Railway, two branches were opened from San Jacinto to La Providencia and to Corro Aguila, distances

of 5 and 7 kilometres respectively. On the Buenos Aires Western Railway a branch was opened from Esquel to Comodoro Rivadavia, a distance of 55 kilometres, and a branch to Villa Aique, a distance of 15 kilometres. With these new lines, and including lines of a provincial and second order character, the total length of railways at the end of 1926 was 38,321 kilometres.

Compared with the year 1926 the value of the products carried by the railways has increased 44.0%, the figure being for 1926 2,595 millions of gold pesos, compared with 1,795 millions of gold pesos. Expenses, on the other hand, have increased 107.3%, the figure for the same year being 1,782 and for 1927 3,600 millions of gold pesos respectively. The profits which were in 1926

712 millions of gold pesos, increased in 1926 to 768 millions, representing an increase of 7.8%.

During last year also passenger and goods traffic increased considerably, 145 millions of passengers were carried, an increase of 5 millions over the preceding year, and 45 1/2 millions of tons of goods were transported, almost double the quantity carried in the year 1926.

It is worthy of mention that in view of the precarious situation which the grain producers have to face, the Railway Companies have given rebates upon the freights in force, as also foregone storage charges for specified cereals during the period mentioned, and have reduced their maize tariffs. The Great Southern, Central Argentine and Pacific Railways have also reduced freights on live stock destined for the Mataderos.

A new system of freight rates is being studied to be applied by the F. C. N. E. Argentine, to replace the actual scale which was established in 1900, and by which kilometrical tariffs will be established, which will affect long haulages. This tariff will possibly come into force about the middle of the present year.

STATE RAILWAYS

The exploitation of the State Railways has been much more favourable than in that of any preceding year. The carriage of goods realized more than two and a half millions of pesos, the increase over the previous year being 2,080,000. With this single exception of the line to Comodoro Rivadavia all the other lines show an increase in passenger traffic, the average increase over all being 6.0%.

During 1927 there was little construction of new kilometres, only a new station was also built at Kil. 1415, and another new station at Kil. 1111, is being constructed, and will be shortly opened to the public. Other construction work which is proceeding is that from Anillas to Rosario de Jar Fructera, Catamarca to Tucuman, Federal to Curruqui, and Federal to Concordia. The line from San Antonio to Patagones is already 76 percent completed. The line from Km. 1415 to Lago Nahuel Huapi is suspended temporarily while the line from Km. 1415 to Arroyo Penedo has 312 kilometres already laid, and the telegraphic line has been completed for a distance of 20 kilometres.

NAVIGATION AND PORTS

In order to maintain the depth of water necessary for navigation of the internal waters for the winter, the dredgers have brought up 20,107,586 cubic metres of sand and gravel, which was 117,100,000 cubic metres in 1926. The dredging work was carried out from the river to the sea.

the new port. And in addition, 316,165 cu. m. has been deposited to fill in the Archida Costanera. The depth of the channel of Punta de Indio has been increased to what it was in 1925, and is to be still further increased, until it reaches a depth of 30 feet. This will be done when the three new dredgers ordered have been acquired at a cost of \$4,103,477 m.n.

In the New Port, the principal preoccupation of the E. R. P. has been to complete it in the shortest possible time, so as to satisfy the imperative needs of commerce and navigation, and also to obtain a return on the large capital invested in it. To this end negotiations were entered into with the constructing Company to continue the work, but without arriving at a solution. Faced with this situation and in view of the absolute necessity of completing this important work, the Government resolved to cancel the contract with the company. This will permit them to carry on the work by a series of partial contracts.

The port works of Buenos Aires and La Plata have been improved, thanks to the renewal of a large portion of the permanent way and the ballasting of same.

Traffic increased 19 per cent over the previous year.

Exports from ports in the Republic exceeded 11,000,000 tons.

In all the maritime ports dredgers have constantly been at work to insure a good depth of water. In Puerto Deseado the reconstruction of the wharf has been completed, and a vessel has already been loaded with a cargo of 3,000 tons of frigorifico products.

In Comodoro Rivadavia another 400 metres of dock have been constructed.

With the works completed, the total cost of port works up to December 31, 1925, has been approximately \$482,000,000 m.n.

During the year the works sanctioned by the E. R. P. for the defence works against floods by the technique were continued, these including the excavation of the channel and the construction of artificial breakwaters and the filling in of low-lying tracts by means of dredgers.

Bridges and Roads.

Amongst the important works which have been carried out during the past year has been the provision of roads giving access to the Federal Capital, the need for which is indisputable. The E. R. P. also proposed to make such roads into the City of Rosario, and a project for same is now under consideration.

Another road commenced in the period under review is that from Bahia Blanca to Pehuay, a work of the utmost importance for the development of the district, which is the chief agricultural of the Republic.

IRRIGATION, DRAINAGE AND DEFENCE WORKS.

During the year the following works have been carried out:

In the Northern Zone the defence works constructed in the city of Jujuy saved a veritable catastrophe when the Rio Chilo rose to an extraordinary height, although the defence works suffered a little damage.

Projects have been prepared to extend the irrigation works to the Grande and Lavayen rivers. In the Province of Bahia, the San Carlos dock has been completed.

In the Central Zone, the construction of the La Rioja dock, which had been suspended, has been continued. In this Province also important works have been carried out in the towns of Nazari, Tama, Malanzan and Catuna.

In the Province of Santiago del Estero, works have been commenced for the defence of the capital against floods from the Rio Dulce. Also in El Pueblo (Cordoba) one of the most important hydro-lectric works in the country has been undertaken, which will benefit a large population in the centre of the Republic.

In the Southern Zone, irrigation work has continued along the Rio Negro, and during this year other irrigation works will be commenced on the Limaz and Collon-Gura rivers. Works have also been started for the defence of the town of Victoria.

The principal irrigation works which have been started are situated in the following localities: Upper Valley of the Rio Negro, Chimpay and Bellas and Ochoa, Ochoa in the Rio Negro Territory, Chacab, Naudue, Mercedes and Santa Rosa in the Province of San Luis, Piedra Blanca, Valle Viejo, Tinogasta, Andagala, Balen and Capatzen in the Province of Catamarca, Famatina, Chillo, Yacupon, Castro Barros and Sanagasta in the Province of La Rioja, and Perico del Carmen in the Province of Jujuy.

All these works will irrigate a superficial area of 1,175 hectares, and will bring in a revenue of 1,075,227 m.n. per annum.

Sanitary Works.

Expenditure of sanitary works reached a total of \$1,145,987 m.n. or 114,598,700 pesos. The most important of these were the works carried out from said works in the city of Buenos Aires, the service of which and the service of the National Treasury, has reached a sum of \$1,145,987 m.n. This branch of the service has produced for the Treasury an income of 1,145,987 m.n. per annum.

It is satisfactory to note that the measures of economy introduced into the service in 1925 have resulted in a decrease of costs which in 1925 were \$4,100,344 m.n. to \$2,066,265 m.n.

Construction and Repair of Public Buildings.

During the year, \$2,000,000 m.n. were expended in the construction and repair of public buildings. The buildings constructed included Hospitals, Post and Telegraph offices, etc. A further 3,000,000 pesos has been sunk in the building of the new Post Office in Buenos Aires (not yet completed).

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AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

June 30th, 1927

To: A. C. of S. G-2,

Subject: Current Events for the month of June.

RECEIVED G/2 W. D. JUL 22 1927

✓1.- The Bill introduced in the Chamber of Deputies by the Socialist Party to intervene in the Province of Buenos Aires will probably die in the Committee. The Socialists gave as their reason, the gambling both at roulette and the race tracks. Another act the Province had voted which did not meet with the approval of the National body was the revaluation land scheme to provide more revenue for the Province. The provincial Government is in hands of the Irigoyen (Personalist) party. For several years they have been accused of wasting the revenues of the Province. In 1925 Congress voted intervention but the President vetoed the bill and the present Vice Presidential candidate who was then the Secretary of the Interior, resigned from the Cabinet. The Anti-Irigoyen parties in Congress, for political purposes, were ready to join with the Socialists in the intervention in order to get control and organize the province for the Presidential elections next April. The Provincial Legislature took the warning and over-night passed a law prohibiting all games of chance, including roulette, betting on horse racing, lotteries, etc. throwing out of work some five or six thousand employees and causing a deficit in the provincial budget of some four and a half or five million pesos. The revaluation land scheme was also tabled. Everyone admits that this is simply a political move and will last only till the elections of next year, yet the Socialists accepted it in good faith and will not support their bill much to the disgust of the other parties. The Province is a big factor in the Presidential elections as it has almost a third of the delegates in the electoral college.

2.- The Socialists have had the Cabinet members before the Chamber of Deputies this week asking them about expenditures of funds by Presidential decree and which expenditures had not been approved by Congress. This is a custom which has existed here through the terms of four Presidents and some fifty Cabinet members. During the ten years from 1915 till the end of 1925 some three hundred and fifty million pesos were so expended. The public (and justly) seem to be

neutral on this fight. This habit is the fault of both branches of the Government. The annual appropriation bill by Congress has been a joke for the past ten years as will be given in detail under 5020. The Accountancy law states that Congressional Committee will audit the accounts of the Secretary of Treasury. This has not been done for years. On the other hand many of the expenditures were unnecessary. Also the Deputies state that the Executive Branch fails to send their estimates to Congress promptly. This year the estimates have not reached Congress although the session was scheduled to open on May 2nd.

3.- Enclosed is a copy of a speech made in the Navy Club here on February 2nd by General Alonso Baldrich, Chief of Engineers of the Army. On the 25th of June this same officer made a similar speech in the Argentine Theatre. This last meeting was under the auspices of the "Alianza Continental" (Same as "Liga Latina Americana" described in 3850). The announced subject was "The rivalry of the Imperial Powers in the Petroleum Field." I brought this to the notice of the Chargé d' Affairs a week before the meeting was to be held. The remarks were expected to be directed mostly against the Standard Oil. However here is an officer on active list of the Army making a speech before a society whose announced principals are strongly Anti-United States, and in his speech adhering to their principals and wishing them success. A clipping of the speech as published in "La Prensa" is enclosed. This society is making no headway in its activities. No prominent Argentines are allied with it and I do not believe its support will have even any appreciable effect in securing passage of the legislation. There are two petroleum projects before Congress and one of them has been since 1923. The projects are objected to by Foreign Companies because they establish a government monopoly and contain other objectionable features. Unless Congress changes the policy followed in the past few years and past two months of this session, no action will be taken on this matter and new Legislation on Petroleum, however is badly needed.

4.- The President submitted during the month to Congress a project to increase the activities of Civil Aviation. A copy of the project is enclosed. "La Nación" criticized the project because it was left under the Army. This country has made some progress in training Civil Aviation as will be given in detail under 5100. Probably to separate it from the Army control might be desirable and I think the Army thinks so too. This Government however now has an overhead which compares favorably with the U.S. Gov't., D.C., 14 states and 10 Territories with a population less than New York City.

5.- It has been announced that contracts for three destroyers for the Navy have been placed in England; and it is

reported that contracts for three submarines will go to France. Mr. Hill, Vice-President of the Bethlehem Steel Company has been here for four months and still has hopes of securing an order for at least one cruiser. The Navy (which controls coast defenses) is planning to replace some of their guns at Puerto Belgrano with 14" calibre and to put in some defenses of that calibre at Mar del Plata. No orders have yet been placed.

6.- On June 10th a special Ambassador, Marquez Sterling from Cuba presented his credentials to the President. The visit was simply one of courtesy and made to return a similar visit of Mr. Pueyrredon to that Country some two years ago. The visit had no political significance.

7.- "La Prensa" has organized a series of Conferences called "Instituto Popular". These Conferences consist of some well known speaker on subjects of interest. The aim of the conferences is to appeal to and educate the middle classes, such as bank clerks, Secretaries, etc., On Friday 17 of June the subject was "Problemas Americanos" by Alfredo Palacios. Enclosed herewith is the article published by La Prensa. About a thousand persons attended. It is of interest to note that, with the speaker was General Baldrich, the Mexican Chargé d'Affairs and Rodriguez Sobriano. This last person is a Spaniard who has been making Anti-Royalist speeches here against the King of Spain. He appeals to a certain type here as he is a good speaker and intelligent. He is very pro Latin and Anti-United States. I am sending a Who's who card on Palacios.

8.- The strike of June 15 in sympathy of Sacco and Vancetti was a failure. The chauffeurs were the only body which went out as a whole. Business in the city functioned normally. One or two evening papers were not edited.

9.- The reopening of the Tecna Arica question has caused no comment here.

10.- The French Government during the month presented to the President's wife the decoration of the Legion of Honor for work during the War. At the time President Alvear was Minister to France.

11.- There were conferences during the month on the 1928 Budget in the Cabinet offices. The Estimates have not yet gone to Congress - two months late now-. The Secretary of the Treasurer estimates for 1928 a revenue of \$640,000,000m/n.


12.- Lindbergh and Chamberlain's success caused many favorable comments and editorials from all the papers. Even "La Prensa". Much newspaper space was given them for several

days. "La Prensa" and "La Nación" both had an editorial friendly to the United States and very enthusiastic over the success of the flights.

✓13.- The Socialists have introduced their annual bill to separate church from state.

✓14.- Congressional Committee has reported favorably on the Administration bill to remove the main Manufacturing Arsenal of the Ordnance Department from Buenos Aires to the Province of Cordoba. This Arsenal now occupies some very valuable land in the center of the city.

15.- Law 11,386 of October 21, 1926 prescribes that all male Citizens native and naturalized who are within six months of 18 years of age will register their name and produce a photograph between the period of January 20th and June 19th. Under certain conditions where registration was impossible a friend or relative could request a certificate, and extension of time would be given those Citizens. The registration shows 1,859,000 citizens enrolled and 110,000 certificates issued. It is officially stated that this figure is 96.2% of the possible total. The object of the Law was to check the electoral register.


C. T. Richardson
Major G.S. M.A.

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The President during the month of June sent a message to Congress requesting \$3,780,000 m/n to reorganize the Department of Civil Aviation under the Army. The money was to be spent as follows:

For the organization and operation of the Office of Civil Aeronautics and its special services..... 180,000 pesos

Organization, establishment and operation of the National School of Aeronautics which is to train a suitable personnel to discharge the duties of pilots and navigators, administration, construction, repair and other special duties.....450,000 "

Organization, establishment and operation of the workshops attached to the National School of Aeronautics, the workshops and offices of the proposed national air port and of the aerodromes which will be assigned to the use of the public and for the encouragement of the smaller aeronautic industries..... 350,000 "

Purchase and upkeep of aerodrome materials, repairs to the same, etc..... 500,000 "

Additional purchase of land for aerodromes and for leasing of the same..... 150,000 "

Purchase of aircraft for training purposes..... 500,000 "

Purchase of aeronautical material, spare parts, navigation equipment, etc. 200,000 "

Purchase of material for aeronautic construction and transport..... 150,000 "

Purchase of oil, both fuel and lubricating, and expenses of experimentation and analysis..... 150,000 "

For exploration of the air, study of air lines in collaboration with the Post Office, Meteorological Bureau and General Direction of Railroads in order to establish future routes of national air navigation, preparation of maps for aviators with the assistance of the Military Geographic Institute..... 200,000 "

To commence the construction of the
buildings of the National Aeronautic
school, for the management of the na-
tional air port and for possible rent-
als..... 450,000 pesos

Payment of emergency work and unfore-
seen expenses..... 100,000 "

Purchase of a field in the neighbor-
hood of Buenos Aires to be used for the
aerodrome of the National Aeronautic
School, laying out of the same and of
the roads leading to it, etc..... 400,000 "

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

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July 31, 1927

3819

Subject: Current Events for the month of July,
To: A. C. of S. G-2.

RECEIVED 8/2 W.D. SEP 1 1927

✓ 1. Two bombs were exploded in the city of Buenos Aires during the month, presumably by sympathizers for Sacco and Vanzetti. One bomb was placed under a concrete bench on one side of the George Washington Monument in Palermo Park. This bench is attached to, and forms part of the statue. It is about two feet high and six feet long. The force of the explosion was sufficient to blow this bench into small bits and the bomb must have been placed at the farthest end from the statue, otherwise it would have upset the statue from its pedestal. The effect of this bomb is shown plainly on the sheets attached. The Government has allotted \$3000.00 m/n to repair the damage.

The other bomb was placed outside of the sales room of the Ford Agency on Peru and Victoria Streets. This bomb shattered all the windows in the vicinity but did little other damage. There was another bomb placed outside of the Ford Agency which did not function. This bomb is said to have been wrapped in printed circulars protesting against the execution of Sacco and Vanzetti and which circulars appear to have been printed in Boston. Language used in the circulars is Italian. This agency is actually owned by two Italians so it is thought that the bombs were intended for the General Electric Salesrooms across the street from the Ford Agency. The next morning, the Minister of Foreign Affairs called in person at the Embassy to express his regrets. Three or four men were arrested, three of whom the police say they know are guilty but they cannot secure evidence to prove it. Miguel Rocina is alleged to be the head of the group. Oreste Bar is believed to be the one who made the bombs. The one recovered had a time mechanism in it which to make would require considerable skill. Both of these men are of Italian extraction but Argentine citizens.

✓ 2. During the month a death threat was received addressed to the Ambassador and stated that it would be carried into effect if these men are executed. The Government is supplying the necessary police guards at the principal places of private and public American interests. I have just been informed that the men mentioned above as having been arrested have been released by the Judge for lack of evidence.

3. Criticism of the United States is being continued in the Press, especially "La Prensa" and "La Critica" because of American troops in Nicaragua. Last Wednesday the Senate of the National Congress sent a note to the President requesting that the Minister of Foreign Affairs attend the session scheduled for Saturday to state the attitude of the Administration on the Nicaraguan situation and to assist the Senate in drafting a reply on that subject to a resolution received from the Congressional body of Costa Rica. The President in a polite but firm tone denied their request stating that foreign relations were a function of the Executive. Practically all the papers are criticising him for his attitude. The Senate to date has done nothing more in the matter.

4. The Petroleum debate continues in the Chamber of Deputies on the three afternoons each week when they can get a quorum. The Irigoyenistas have announced that they are for an absolute Government monopoly. The Socialists are against such a measure. The other parties are divided. Whenever a motion is put before the House not in line with the Irigoyen program, the block completely desert their benches and rush out of the house, leaving the latter without a quorum. The Standard Oil of New Jersey through their activities in Jujuy and Salta are certainly out of favor with the Government Petroleum Administration. They are the target for most of the attacks though the 'imperialistic' motives of the United States are being heard constantly in the Press and in speeches written by General Mosconi's office (Gov't Pet. Industry). This subject has become a political issue and the chances are that Congress will adjourn on September 30th without anything being done.

5. There is enclosed a newspaper clipping from the Buenos Aires Herald under date of July 15th, 1927, on graft in connection with a loan made in the States by the Province of Mendoza. I think the condition described here is typical of the majority of the provincial financial operations. While the financial standing of the central government is excellent, there is only one or two provinces at most which deserve any such rating. Yet it seems that any of them can go to New York for a loan and the New York Bankers jump at the chance. These loans are not guaranteed by the Central Government and it will take a richer country than Argentina to yield an income on the bonds when money is wasted as it is in some Provinces. As soon as time permits, I will make a study and report on Provincial loans for it appears to me that the provinces are storing up trouble for themselves which will in turn affect the foreign relations of the National Republic.

6. The budget estimates for 1928 which should have been sent to Congress at its opening in May are still the subject of Cabinet meetings. The Secretary of the Treasurer is having a difficult time in persuading the Department heads to reduce their

estimates so as to come within the estimated resources of 3640,000,000.00 m/n. Twice during the month, the President convened the Cabinet trying to adjust the estimates.

7. A banquet was given on July 7th in honor of the British Ambassador by some prominent Argentines at the Jockey Club in Buenos Aires. The principal Argentine speaker was Ezequiel Ramos Mejia who among other things said: "We must immediately reestablish and consolidate our position as the best client of British industries..... There is another fundamental reason for urging a change in our customs policy with Great Britain and that is we cannot remain indifferent to the fate of British industries." Then he proceeded to make the point that the more prosperous were the British industries, the more food the English people could buy and reiterated remarks that had gone before by saying: "..... and protect British industries by means of differential tariffs in favor of the countries which allow free entry to our export products." A who's Who card will be sent in promptly on Mejia. He is very prominent and has some influence; however if the information I have at this date is correct, his personal attitude may be discounted somewhat as I am informed he is a director of one of the large English railroads.

8. The unveiling of the monument erected to the memory of Bartolome Mitre in Buenos Aires (Sculpturer was Rubino, Italian) took place on July 8th. Taking part in the ceremonies were Special Ambassadors & troops from the neighboring South American Countries.

9. The train bringing the military cadets from Chile for the Mitre ceremonies had a head on collision with a train going west at a point four hours this side of Mendoza. Twenty-three persons were killed, sixteen seriously injured and fifty more injured to a smaller extent. Eight Chileans were among the dead with the Director of the school seriously injured. The dead and injured were returned to Chile and the others proceeded to Buenos Aires to carry out their mission.

10. The celebration of the Independence day of Argentina was held on July 9th. The President his Cabinet, and many other Officials; and the Diplomatic Corps in a body attended a Te-Deum service in the cathedral and later witnessed a military parade of troops from the balconies of the Government house. The Parade consisted of an Infantry Division, Cavalry brigade, with some special troops, military school, naval school and a naval detachment. The foreign contingents who came to Buenos Aires principally for the unveiling of the Mitre monument and who paraded on the 9th were: Marines and Naval detachment from a Brazilian boat; Military schools from Bolivia, Uruguay, Paraguay and Chile. I was greatly impressed with the neat appearance and the precision with which the six months old conscript Argentine soldiers marched. Of the cadets, this country far outclassed them all, with Bolivia second.

The troops from all countries marched in review with 'Goose step' and the Argentines exaggerate it very much. The cadets especially appear more mechanical than human in passing review, however at other times they appear very well indeed. Their uniforms of blue blouse and white flannel trousers make them appear quite smart.

✓ 11. Captain C. L. Arnold, Navy Department, arrived during the month as the new Naval Attache at this Embassy. He was presented on the 12th, and Commander Hickey departed on the 14th.

12. There appeared in the press on the 7th of July a proposed cooperation for sale of Argentine meat. There is attached a copy of the article as appeared in the "Standard". This appeared in all the dailies of that date. Since then nothing has been printed except an editorial in another British paper, The Herald. The proposals were even too much for them and they were very caustic in their comments at trying by such methods to shut out American Packing Houses. I talked to representatives of Swift's here; they do not seem very much worried. Drabble, mentioned in the article is Vice President of the Rural Society of which Dahua (who just returned from the States) is the President. It may be noted that Leopoldo Melo is also mentioned as one of the organizers. He was probably employed in an official capacity as a lawyer. It is not believed that he has much interest in it. It is reported that since the return of Mr. Dahua from the States he is not near so rabid in his plea "Buy from those who buy from us".


C. T. Richardson
Military Attache

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

August 31st, 1927

3827

Subject: Current Events for the month of August.

To: A. C. of S. G-2.-

1. The Convention scheduled for Cordoba on May 31st was finally held on August 8th. This convention consisted of delegates from the Conservative and Provincial Parties and they proceeded to form an organization known as "Confederation of the parties of the Right". The Province of Buenos Aires, the Federal Capital and Salta, San Juan, San Luis, Cordoba, Corrientes, Tucuman, Santiago del Estero and La Rioja, were represented. They voted to adhere to the Melo-Gallo ticket.

2. This ticket is said to be disappointing the followers of the Anti-Personalistas and there are many rumors that Melo will withdraw and Gallardo, Le Breton, etc., will be submitted. This rumor was strengthened a bit when Gallardo did not sail this month as scheduled for Europe to be present at the unveiling of the Belgrano Monument at Genoa. In the opinion of the undersigned there will be no change in the Anti-Personalista ticket.

3. Congress has taken no action on raising to Embassies the British, French and Mexican Legations. As previously reported the representatives of these countries here are now Ambassadors. Neither has Congress taken any action on adhering to the League of Nations. Dr. Gallardo's announced reason for postponing his trip was to help secure some action by Congress. He is scheduled now to sail on September 14th.

4. Another report which the Brazilian Ambassador informs me is correct, is, if Dr. Gallardo and the President are successful in getting Congress to join the League, Dr. Gallardo is to be made President of the League.

5. During the month, the Senate denied admission to their seats, Senators elect, Federico Cantoni and Carlos R. Porto

from the Province of San Juan, and were ready to reject C. W. Lencinas when the latter submitted his resignation to the Mendoza Legislature. The charges against all of them were corrupt politics and frauds at elections. The Cantoni brothers, Federico and Aldo (now governor) have had a stormy career in the Province of San Juan of which they are now in absolute control. A project is now before Congress to intervene in that province. Senator Melo (President elect) made a strong plea for all three and he and Gallo were two of the six voting to seat them. Further the reports are that the President has promised Cantoni there would be no intervention in San Juan if the Cantoni brothers supported Melo-Gallo and it is believed they will, as they hate the Irigoyenistas. The effect on Mendoza politics is not so clear. It is certain, however that the Cantoni brothers and Lencinas will be heard of again in National Politics very soon, so a Who's Who on the three is being submitted.

6. The Sacco Vancetti agitation has about died down. Several demonstrations were held and a few bombs were exploded during the first part of the month. The bombs caused a little property damage (none to any American property) and no damage to any personnel. As soon as the execution was over everything died down very quickly.

7. The chauffeurs were on strike the first ten days of the month as a protest against traffic regulations. The chauffeurs finally won their point and they will be permitted to continue to cruise through the narrow down town districts searching for passengers.

8. The French Torpedo Cruiser "Lamotte Picquet" and one torpedo boat "Jaguar" arrived in port on August 10 and remained here several days.

✓9. Law No. 11389 of February 1922 (Budget Law for 1927) authorized an internal loan of \$142,000,000 m/n to pay the debts of the State Railroads to the end of 1924. During the month two issues were authorized of \$23,000,000 m/n and 22,000,000 m/n. The National City Bank of New York took \$10,000,000 m/n and an Argentine Syndicate took the balance. The Secretary of the Treasurer told the Manager of the National City Bank that no more internal loans would be floated this year and that Congress would be requested to authorize the remaining amount under that law to be floated as a gold external loan. Without going to Congress it was announced during the last few days that \$40,000,000 U.S. had been floated in New York through Chase Securities and Blair & Co. It is absolutely without legal authority from Congress to change internal peso to an external gold loan, and the National City Bank, Morgan & Co. and the First National Bank of Boston here would not make a bid.

The Secretary of the Treasurer seems to be able to do anything he wishes with reference to finances and defend himself successfully before Congress.

10. The President during the last days of the month finally sent to Congress the proposed budget for 1928. The figures given to the press some time ago of expected revenues for 1928 amounting to 640 millions has now been advanced to 667 millions by increasing importation and stamp taxes. The budget calls for expenditures of 663 millions. The public works proposed for 1928 are not included in the budget. The project for these consist of a separate bill which amounts to \$ 136,889,942.20 m/n. The President in his message on Public Works project stated that heretofore they had been included in the budget but as they are works which are executed from the sale of Bonds, only the service should appear in the Budget. That the principal becomes cancelled in a certain number of years from the proceeds accruing from the works when completed. That of course is true with a certain class of public works. In the past however all kinds of purchases have been made from proceeds from the sale of bonds. Report on 5020 (b) including 1928 proposed budget will be submitted as soon as Congress passes the law.

11. A riot occurred in the Law College of the University here this month when Major Rottjer, Argentine Army officer undertook to give a lecture on "Wars between Nations". The lecture was one of several scheduled to take place in carrying out a program of exchange of lectures between the University and the Superior School of War. A body of students objected to the lecture on the grounds that it was not consistent with Argentina's pacific policy and might be construed unfavorably by friendly neighboring countries. A free fight started among the 600 students in which four were wounded and many received bruises. Finally order was restored and the lecture was given though those who objected withdrew from the hall. As Major Rottjer and several General Officers who were present left the building they were hissed and hooted at, by those objecting to the lecture. It appears the student body was about equally divided. Some of the student body at La Plata University took the matter up and passed a resolution against lectures by Army Officers in Universities. Six or seven students have been suspended for two years from Buenos Aires and the same number for one year from La Plata University. A Bolivian, Roberto Higonosa was present at the time of the disturbance and he was the principal speaker against the militarism. He formerly was attached to the Bolivian Legation here and was dismissed for making an Anti- United States speech. Some two weeks ago he came to this Embassy for a diplomatic visé, saying he was going to Mexico as a Secretary at the Bolivian Legation. He was told that he should bring in writing a request from the Bolivian Minister for such a visé. He never returned.

12. La Prensa is now waging an attack on Italy's immigration regulations. Recently regulations have been promulgated which prohibit any person immigrating from Italy unless he has a contract for work in the foreign country. La Prensa has taken the attitude that these regulations are aimed directly at Argentina. The Italian Ambassador answered the first attack in a very able article with much stress on the point that these regulations were for the welfare of the immigrant as well as preventing increasing the number of unemployed in other countries. The attack however has continued.

13. The debates on Petroleum have continued in the Chamber of Deputies since the 15th. The Irigoyenistas and the Independent Socialists (67 Deputies) are lined up for state monopoly. It is predicted that the bill will not be passed even by the Deputies.

14. The Caja de Conversion was opened on August 27th. This was closed during the War and a law passed prohibiting the exportation of gold except in specially approved cases. At the time the Caja was closed there was a deposit of \$ 221,666,455 oro. Now there is \$455,663,784 oro which represents about 80% of outstanding paper. The opening of the Caja de Conversion was the subject of very favorable comments on all sides.

15. The United States Ambassador arrived on August 31st.


C. T. Richardson
Military Attaché.

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

September 30th, 1927

3831.

Subject: Current Events for the month of September

To: A. C. of S. G-2

RECEIVED 9/2 W. R. 001 2 1927

1. Congress closed its ordinary Session on September 30th. The total accomplishment was very little. The Deputies voted petroleum monopoly, the general provisions of the law are attached. The law in detail is not forwarded as no one believes that the Senate next year will ever pass it. It is simply a vote catching scheme of the Irigoyenist party.
2. The 1927 budget was voted to be continued during 1928. This was accomplished during the last hours of the Session.
3. The Legations in London, Paris, Uruguay, Peru, Mexico and at the Vatican were raised to Embassies. The last named was the subject of a debate in the Chamber of Deputies.
4. The League of Nations was not considered by the Deputies.
5. Attached is a copy of a project introduced by the Deputy Amadeo and Videla (Conservative) in the House of Deputies. It was referred to a Committee and there died. It shows however a growing feeling along such lines and no doubt encouraged by the British interests here.
6. This country is preparing a "Floating Exhibition" to visit countries of South America. This exhibition will be principally composed of manufactured articles of the country and the object is to stimulate trade and interest in Argentine production.
7. Arturo Orzabal Quintana and Russian money were in the limelight here this month. He is President of a Latin-American Society called "Alianza Continental" which has been supporting the Petroleum monopoly bill in Congress. This Society desired to give General Baldrich a dinner in recognition of his services in that campaign. The Minister of War prohibited the attendance

of General Beldrich on the grounds that "The President of said Society, Arturo Cresabal Quintana was known to be engaged in revolutionary propaganda aided by Russian money."

✓8. There is no new developments in respect to Russian propaganda. Boris Krevesky arrived here this month. A news dispatch from Rio stated that he was not permitted to land there. He is supposedly here in connection with the Autaorg Trading Company whose headquarters are in New York.


✓9. The drawings for Conscripts to serve in the Army and Navy next year were made this month. The total enrollment of men born in the year 1907 were 91,274, of these 24,451 will go for one year in the Army and 7,999 for two years in the Navy.

✓10. The Army will concentrate some 25,000 men and officers in the vicinity of Mendoza for manoeuvres from October 15th to November 15th. Troops from all five divisions will be included; in addition there will be called reserves for 30 days service that part of the 1905 (born in 1905) class in the 3rd and 4th Division who had training in 1926. The total number of reserves called will approximate 4500.

✓11. About 175 cadets of the Argentine Military College visited Chile during September to take part in the celebrations of the independence day of Chile. Many friendly newspaper articles were written on the visit and the friendly feeling existing between the two countries.

✓12. There is now meeting in Buenos Aires a boundary Mission composed of delegates from Paraguay and Bolivia to settle a boundary dispute of long standing between those two countries. A special report will be forwarded on this subject as soon as a conclusion is reached.

✓13. The French Ambassador visited the President during the month and, following Spain's example in selling cruisers to the Argentine Government offered to lend the Argentine Government fifty million gold with the stipulation that orders for the three submarines (to be purchased) be placed with France. The President thanked him for the offer and said it would be considered. Information has just leaked out that the submarine orders have been definitely placed with Italy. Effort is being made to keep it a secret till the French enthusiasm has died down. It is common gossip that Admiral Galindez is very pro Italian and will place in Italy all orders he possibly can.


C. T. Richardson
Military Attaché.

61 Enc. 3
2048-182
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GENERAL PROVISIONS OF THE PETROLEUM LAW

Article 1. The following are private property rights of the Nation:

- (a) The veins, wells and natural deposits of petroleum.
- (b) The Gaseous Hydrocarbonates that are found in the subsoil or which escape from the surface of the earth.

The exploration or exploitation of such rights are reserved exclusively to the National Government in all the territory of the Argentine Republic.

The transportation by land and water pertaining to the above mentioned industry is likewise reserved exclusively to the National Government in all the territory of the Argentine Republic.

The transportation by land and water pertaining to the above mentioned industry is likewise reserved exclusively to the National Government in all of the Republic.

Those who now possess concessions can make, within the limits of their concessions, all the pipe lines and tanks they deem necessary, but the main pipe lines destined to transport petroleum and its by-products from the limits of private properties to the ports, railway stations or any other destination, will be controlled by the State.

In accordance with the above statement the pipe lines existing on the date of the passing of this law, will be declared open to public use.

The petroleum and by-products from National mines cannot be exported.-

2048-182

ON THE EXPORTATION OF ARGENTINE MEAT

Article 1. From the passing of this law, the custom duties on articles coming from the United States of North America into this country will be raised 6%.

Article 2. With the proceeds coming in under the foregoing article, the Executive Power will form a special fund destined exclusively to subsidize the exportation of Argentine meat, of the Chilled beef type, to the United States with the same amount of Customs Duties that the United States imposes on the importation of this product from Argentina.

Article 3. The Executive Power is authorized to raise or lessen the duties caused by the present law in proportion to the raising or diminishing of the duties on the importation of Argentine meat by the Government of the United States.

Article 4. The Executive Power will annually determine the tonnage of Argentine meat of the Chilled Beef type that may be exported to the United States, in accordance with the sum obtained from the above mentioned increase and in accordance with Art. 2. The Number of tons agreed upon will be distributed by the Executive Power among the packing house companies of the country who apply for them, in equal quantities.

Article 5. The payment of the premium exacted by this law will be carried out by the Executive Power through the Argentine Embassy in the United States once it has proved the origin of the meat that enters the country to be Argentine, with a fine of five times the premium obtained to be paid by that company or person that should collect it, giving a false origin for the product.

AMERICAN EMBASSY
OFFICE OF THE MILITARY ATTACHE.
BUENOS AIRES, ARGENTINA.

October 31, st 1927

3837

Subject: Current Events for the Month of October.

To: A.C. of S. G-2.- RECEIVED G/2 W. D. NOV 28 1927

1. The Paraguay-Bolivia boundary mission is still in session. From reports it would seem nothing so far has been accomplished. There is a dead lock on what basis the conference shall proceed; the Paraguayans want to declare a "statu quo" and start from there. The Bolivians want to go back to Colonial days and discuss title deeds from the Conquest to date. Full report will be forwarded when some conclusion is reached.

2. The Great Southern railway has just placed with an English firm a \$5,000,000 U.S. order for a grain elevator to be installed at Bahia Blanca. This will be of great benefit to the agricultural region which that road serves. It will take two years to complete the project.

3. Two Provincial loans have recently been placed in the States. One to the Province of Cordoba for \$1,281,000 U.S. at 6% and sold at 99½. The other to the Province of Tucuman of \$2,122,500 U.S. at 7%. The proceeds of the last named loan are to increase the capital of the Bank of Tucuman. Paine Webber & Co. of New York in their prospectus in floating loans in the States placed stress on the sugar industry of Tucuman. This industry in Argentina as outlined previously may come out all right in the end but just now it is suffering acutely from over production which stocks cannot be sold in the world market without loss. One Company, Soc. Anonima, Compania Azucarera de Tucuman recently reported the results of their years operation. The report shows a loss of \$2,845,595 m/n. This in spite of the fact that production and yield per unit of cane crushed was greater than the previous year.

4. If the project now before the Legislature of the Province of Buenos Aires becomes a law, this province will be in the market for a \$27,500,000 m/n External loan. 20,000,000 to be used for schools and the remainder for public buildings. This province now also has a road building program of some \$23,000,000 U.S. on hand which financial arrangement has not been concluded. I am informed, confidentially that the National City Bank of New York are to make a com-

plete analysis of the financial condition of this Province with a view to giving financial assistance.

✓ 5. The following announcement was made during the month:
"In accordance with instructions received from headquarters at Dessau (Germany) the Junkers Mission has suspended as from October 12 the aerial service between Buenos Aires and Montevideo which it has been carrying out for the past 18 months. The Mission hope to enter into a new arrangement with the Argentine Postal Authorities following which it would resume the service with aeroplanes of a larger type than those employed hitherto."

Reports are that mail contract will not be renewed.

✓ 6. During the month, Rear Admiral Galindez, Chief of the Argentine Navy Mission in Europe, telegraphed from Italy to the Ministry of Marine advising the signing of a contract with the Italian Government for the construction for the Argentine Government of three Submarines. These submarines are to be built in the yards of F. Tosi, at Taranto. They are to be of the "Lassianiello" type, likewise constructed at the Tosi yards. The dimensions are; length 213.3 feet; breadth 21.3 feet; displacement on the surface, 780 tons; displacement submerged, 930 tons. Their speed is to be 17.5 knots on the surface and 9 knots submerged. Each will be equipped with a four inch gun and six 21 inch torpedo tubes. The details of purchase and delivery conditions have not been made public.

✓ 7. The Minister of War presided at the ceremony of "Inauguration of Manufacture of Airplanes" in the Army plant being constructed a few miles from Cordoba. Buildings are not yet completed and very little machinery installed. Actual production will hardly begin before January 1st.

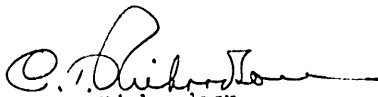
✓ 8. The 30 day manoeuvres mentioned in September current events began as scheduled. Some 30,000 troops have been assembled in Mendoza. The Military Attaches have been invited to attend two days only of the manoeuvres; 6th and 7th of November. The invitation was accepted and report will be submitted.

✓ 9. Enclosed is "Un Recuerdo de la Visita a Buenos Aires de Instituciones Militares Hermanas" which might be of interest as it gives under one cover pictures of cadets of different countries which attended the unveiling of the Mitre Monument on July 8th, 1927. As previously reported the Argentines in snap and precision of drill as well as general appearance outclassed all the others.

✓ 10. The French Aviators Costes and Le Brix arrived here on October 20th and are still in Buenos Aires where they are being much entertained both officially and privately.

✓ 11. The following notice has been clipped from the daily paper:

" Bolivia. Military Mission engaged; La Paz; October 29th-- There is expected in this capital today the Military Mission recently engaged in Danzig and will consist of a General, six Field Officers and 14 Junior Officers who have distinguished themselves in the European War in the German Army. "


C. T. Richardson.
Military Attache.

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES

CONFIDENTIAL

November 30th, 1927

3848

Subject: Current Events for the Month of November.

To: A. C. of S. G-2

RECEIVED G/2 W. D. DEC 29 1927

1. The Military Attaches were invited and attended the Manoeuvres of the troops on November 6th and 7th only and a review of the troops on November 10th, in Mendoza. The manoeuvre lasted a month and the problem on the 6th and 7th was the last one and the only one in which all troops were employed. Division of Infantry and Division of Cavalry against equal units. Information gained at the manoeuvres will be given under the different sections of the Combat minimum requirements. It might be stated that the nine month trained recruit showed up as a very good soldier; the calling of 4,500 reserves was a success as 93% reported; the railroad transportation was an excellent handling of some 92 trains with over 20,000 soldiers and 13,000 animals in a ten day period with only four trains late (average was 35 minutes); average time of unloading trains was 30 minutes. Sick report figures were reported as 1/3 of garrison and out of about 14,000 animals only 11 died. Armament and equipment is old and sadly lacking in many essentials. No anti aircraft defense whatever not even with machine guns. Purchase of new armament is now being made abroad. In spite of many requests we did not get up to the firing line to see how smaller units were handled tactically, to see the directing of fire nor the placement and use of machine guns. Although officially requested, as yet I have not been able to secure a copy of the orders issued by the commanders. I do know that orders were not complete and in some respect quite deficient. For instance, no orders were given to the Air service by the commander of one of the opposing forces and there was practically no employment of the air Service though 26 planes were assigned to the troops.

2. One piece of the equipment at the manoeuvres interested me very much - the Rolling kitchen. There is being forwarded under separate cover a description. This kitchen is designed by an Argentine to cook the national dish - Puchero (a glorified Irish stew); however cooking compartments could be easily altered to meet requirements of the United States Army.

3. An incident occurred in the political world which might be mentioned. The President elect, Melo, in a political

CONFIDENTIAL

speech describing the origin of the Radical party in 1890 referred to the Government house at that time as a market where everything was bought and sold. The son of the President of 1890 who the Radicals forced to resign (Juarez Celman) took exception and wrote Melo an insulting letter; Melo promptly named his seconds; however friends intervened and the matter was settled without a duel. J. Celman is a National Deputy of the Conservative party of Buenos Aires and he is being criticized on all sides for raising such an issue at this time when the Conservatives and Radicals (Anti Personalistas) are trying to consolidate to defeat Irigoyen.

4. The first test of political strength will take place in Salta on December 5th on the Election of Governor. Leaders of Irigoyen's party are now busy in that Province. This election is of importance to the Standard Oil Co., of New Jersey as they hold some valuable concessions in Salta and as previously reported the Irigoyen party in the National Chamber of Deputies during the last session voted a state monopoly. Should Irigoyen's candidate win, it may cost more money for such interest to operate, but no other trouble is anticipated.

5. At a lunch this date at which Dr. Rómulo S. Naon, was present, the latter informed me that in his opinion Melo would win by 200,000 votes and by 25 in the electoral College. The manager for Melo is not so confident in fact he is reported as being very uneasy. Dr. Naon also stated that intervention in the Province of Buenos Aires was still being discussed at the Government house. The undersigned does not believe that President Alvear will intervene as no legal cause exists and it is believed President Alvear will not stoop to intervene for political purposes only.

6. The Latécoere company initiated its postal trips this month. The route is from Buenos Aires to Natal with stops at intermediate points. It is expected that these trips will save 4 days by delivering mails to boats there. The first trip was not successful. The plane had to land in South Brazil and forward mail by train. The second trip began yesterday.

7. There has been in Buenos Aires for two and a half months, Colonel Constant Cordier Ex United States Army officer and who now represents the New York Electric Bond and Power Co. He informed me Confidentially that arrangements were about complete for American interests to take over the Anglo Argentine Power Co. This consists of about 26 properties and under the plan it is expected that in five years \$100,000,000 or more from the United States will be invested in Argentina. Final details have not been completed and this information was given me with the understanding it would not be given out-not even to the State Department.

C. T. Richardson
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Military Attaché.

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES

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December 29th, 1927 2-1

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Subject: Current Events for the month of December

To: A. C. of S. G-2

RECEIVED G/2 W. D. JAN 20 1928

✓ 1. On December 24th just before noon a bomb was exploded in the National City Bank, followed three minutes later by one in the First National Bank of Boston. The latter did no damage as it was of low order while the former damaged the inside of the National City Bank building and wounded five employees (only one of which was an American citizen) and about fifteen other persons. One person (Argentine citizen) died two days later. In the opinion of the undersigned this is the work of a small anarchist group in Argentina. It may have been prompted by Sacco Vancetti sympathy or it may have been simply an anarchistic act against the United States. The police have found no evidence nor have they centered the blame on any particular person although some fifty persons with anarchist feelings have been detained. The act has been loudly denounced by all the papers and on Saturday there was a small demonstration in the vicinity of the Banks against the perpetration of the crime. The reaction from this crime will be decidedly favorable to the United States. Just previous to this act, the foreign office had informed the United States Ambassador that all Sacco Vancetti feeling had subsided and in their opinion special guards were no longer necessary.

✓ 2. As reported in a special letter, General Enrique Mosconi departed on December 15th for the United States. In addition to the information already furnished, there are rumors now that General Mosconi will not return to be Director of the petroleum industry but will go to Europe to head the Army purchasing mission. Verification is impossible and the only possible basis for the rumor is the known fact that the General's idea of State monopoly is not concurred in by the Administration.

✓ 3. On December 1st there departed for the United States Captain Pedro Escutary, Argentine Navy, who goes to New York to relieve Captain Orlandini on the Navy purchasing mission.

✓ 4. The Civilian professor of Physics in the Military College, Dr. Cristobal M. Hickens has been ordered to the States for six months study of communications and civil and military Aeronautics.

✓ 5. Colonel Alberto E. Merello of the Administrative Corps of the Argentine Army received a diplomatic Visé from this

Embassy for himself, wife and daughter to visit the United States on the Cap Polonio sailing from here on January 10th. The Diplomatic passport stated in connection with purchasing munitions in the United States. This officer is an "Asimilado" and for 20 years has been on duty in the War Department on estimates, budgets, etc.

6. Two Lieutenants of the Air Service (Solá and Cormack) have been ordered to England for one years tour of duty with the British Air Service.

7. Mr. John Clayton of the Chicago Tribune has arrived in Buenos Aires. He has been given a desk in this office and all assistance possible will be given him. The President of Argentina granted him an interview on December 28th.

8. Mario Flores a Bolivian writer was given a diplomatic Visé this month to visit the United States. The purpose of his visit to the States is to write propaganda in connection with the Bolivian - Paraguayan - boundary dispute.

9. The Bolivian -Paraguayan boundary mission is still in Buenos Aires. Although two months have elapsed nothing whatever has been accomplished. The Bolivian Government addressed a note to the Paraguayan Government suggesting that arbitration would probably be both more rapid and effective.

10. Cables received from New York state that financial contract has been signed with American Bankers Harris and Forbes for funds for the construction of a subway from Lacroze Station Buenos Aires Central Railway to the Port. This subway will do much to relieve traffic congestion.

11. The Compañia Aero Postal Argentina (The Argentine Co. owned by the French Latecoere Co.) has announced that a postal contract has been signed with Paraguayan Government for a postal line from Buenos Aires to Asunción. The Company is now discussing the matter with the Argentine Government. It is proposed to make the trip in seven and a half hours with ten minute stops at Rosario, Diamante, Parana, La Paz, Esquina, Goya, Bella Vista, Corrientes, Resistencia and Formosa. The Service is to start seven months after the documents are signed. Just what the Co. expects from the Argentine Government has not been announced.

12. In the Political world during the month, very little of importance has occurred in Argentina. The socialist, (regular) met and named Drs. Mario Bravo, and Nicolas Repetto for President and Vice President. The only effect this will have on the election is to reduce slightly the electors for the Anti- Personalistas.

The Provincial elections were held in Salta during December. The votes will not be counted till January 4th.

The Anti Personalistas seem very confident. In one of the evening papers continued statements appear that if the President does not intervene in the Province of Buenos Aires, Melo and Gallo will retire from the race. I don't believe the President will intervene and it is getting very close to elections for any change in candidates. Irigoyen has not issued any platform not made any statements on candidates. He has been up in Cordoba during the month working for the cause.

13. Newspapers this a.m. announce that the Paraguayan - Bolivian Boundary mission called at the Argentine Foreign office yesterday afternoon to pay their respects and inform the Argentine Government that the members were leaving for their respective countries. It was further stated that the mission expected to reconvene about the middle of March 1928.


C. T. Richardson
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